

TALK TO CIA

I. Basic Decision Made to Expand Authorities of the DCI

Detailed implementation still working

Impact on own organizational plans still working

Want to share all I can

Basic point - very pleased, both as DCI and D/CIA

Why?

II. Extensive Effort and Top Interest in Intelligence: The President
Vice President, Vance, Brzezinski, Brown, and Congress

Can only benefit from this attention/understanding
generated by the exercise

HOW?

Emphasize cordial - different proposals - PRC standoff - letters
VP role

III. As DCI much better equipped to do job of coordinating entire
community

Three new features:

1. Priorities Committee

Excellent--involving policy-makers helps us point
in the right direction and keep in touch with policy

2. Full Budget Authority

Greater load on the IC Staff - but with it goes control

3. New Tasking Center - my suggestion - Planning Committee - VP collection

Other element of control

Emphasis on coordinating collection

Will benefit CIA collection, especially DDO - appreciation of value

Where - ? - Who - Committees

MY INITIATIVE

IV. New Organization Plan

Not approved by Congress -

Tentative - 4 people report to me

1. DDCI - for CIA -

Note I remain D/CIA - Pleased

2. NITC - VP Collection

Does not manage anything

Tasks all collectors, including CIA

3. Dr. Bowie - VP Production

Manage combined NIO/DDI

Dr. Stevens as Deputy

Coordinate with INR/DIA

In his decision, the President strongly reaffirms the DCI's central role as the primary advisor to the NSC and the President on substantive foreign intelligence and his full responsibility for the production of national intelligence, consulting as appropriate with departmental analytical centers.

The NIOs and DDI depend on each other. I have therefore decided to end the artificial organizational separation of the two by forming a new combined organization. Its ^{primary} mission will be the production of "national intelligence," which I define simply as the intelligence that the President and the National Security Council expect me to provide.

The NIOs will serve as the principal substantive staff officers for their respective fields, both within the Intelligence Community

and for the combined organization as a whole. They will rely for most of their support on the DDI production offices, the importance of which is confirmed by these changes.

We do not now contemplate extensive organizational changes beyond those involved in the merger of the front offices of the two organizations and a redefinition of NIO responsibilities. Bob Bowie and Sayre Stevens, who will be chief and deputy respectively, will soon be issuing a more detailed statement. But let me say now that no one need worry about his job. We have the clearest charter we have ever had for central intelligence, and there is more than enough work for all. Nor will the change in any way upset the career status or rights of anyone. DDA will continue to serve all personnel just as in the past.

4. Budget Evaluation VP

IC less Collection Committees

PHILIPSON
ENHANCED BUDGET RESP
~~Realize won't satisfy everyone or all needs -~~

NITC to coordinate all tasking agencies

Bowie to coordinate all production agencies

Recognize need for close association of collection and production

But also need to coordinate within collection and within production

Utilize new priorities board and stronger budget control to keep all collectors in touch with all producers

OLC/OGC/APA/Comp/IG

Continue support DCI

Support from CIA for sure

Intend beef up IG

V. Reaffirm the Functions of the Other 3 Directorates that Remain Under CIA Box

STAT

DDS&

3.

2.

Overall R & D role

Imagery and SIGINT--necessary to offset military bias

Clandestine essential

Record superb

1. Imagery and SIGINT operations: OSO/OD&E

Critical to the DCI--Independent expertise

Competitive role--emphasize coordination

Future: Closer cooperation with NSA, but independence

Continued close relationship NRO

~~About same size--perhaps smaller~~

DDA

No diminution in need for support

COMMON SERVICES

Future: Possible expansion into support for wider areas

Especially Commo

Expansion of Security

~~Possible tightening and reduction overall~~

DDO

~~Both Covert action and clandestine collection essential~~

National assets

CA in a lull, but must retain capability

CI needed more than ever

Clandestine on increase

Want more overseas

More emphasis on 3rd countries

Carter foreign policy

Trend of the times

Not ready to shift targeting priorities

Detailed review

But can anticipate either additive or substitutive shifts

See clandestine as:

1. Best secret political source
2. Increasing need in economic area
3. Increasing need to keep SIGINT/Imagery viable

Review of DDO. Know it generated concern.

Mandate from President examine legality/propriety of intelligence activities.

Task R.D. W.

Operations Directorate Hqs was first. Field and Technical operations in DDS&T will be next.

Review of Hqs complete - contained in eleven notebooks I've read.

I find all's well

- minor changes
 - relationship with some Agency assets
 - some funding changes

STAT

I find in overview

- the take is impressive
- the coverage is broad
- operational performance is admirable
(not only agents, but CI Staff, etc.)
- some inefficiencies that need addressing

Goals for OD

- Better cover
- highly professional clandestine service of about same strength
- leaner more efficient service

1976 DDO Study - Bill Wells recommended a 3-phase program thru 1984

1976--Phase I - restructuring of staffs

Phase II planned for FY 1978-79

DDO recommendation approved - reduced and compressed

Reduction of positions in those 2 years

STAT

--A phased reorganization is planned the next two fiscal years which flows from the conviction of DDO management that since the heavy flood of returnees from South East Asia it has been over strength in the Headquarters area. This conviction has been reinforced by repeated indications by groups and individuals that at Headquarters significant numbers of personnel do not have enough to do, and by attitudinal surveys taken over the past 2-3 years.

--The phased reduction is undertaken not repeat not in any retributive sense but in an effort to create a leaner, more efficient Directorate, allowing each employee to be fully occupied.

--The reduction - which should be described as elimination of surplus personnel - will be phased over the next 26 months

→ **ATTRITION - RETIRE** -

All names for 1st year to be notified by 11/1;
none to be required to leave until 3/1/78.

STAT

All names for second year by 6/1/78; none required
to leave before 10/1/78 → **10/1/79**

Intention proportion higher % senior level officers leave. - **EARLIER**

1. **TOP HEAVY**
2. More people can retire

2. ~~People dropped~~

GS-15/18 - Target by

STAT

~~than lower grades~~

Reaffirm: approved only with the conviction would
strengthen DDO in long run

OTHER DIRECTORATES

VI. Conclusion

--Tomorrow marks my five-month anniversary as DCI.

--Much of my time has been spent getting to know you--to learn what CIA and other parts of the Intelligence Community do and contribute to my role as the President's chief intelligence officer.

--I have spent a lot of time studying the organization and purpose of the Intelligence Community, and ways to make the Intelligence Community more efficient and productive.

--The President has demonstrated trust and confidence in us by increasing the responsibility and authority of the DCI and publicly praising the competence and professionalism of the CIA.

--I was told by former DCIs and others that I could not find a more dedicated, loyal or qualified group of Government employees than I would find at CIA. In only five months I substantiate those appraisals without hesitation.

--I believe those qualities must now be put to the test.

We have new responsibilities. We have new direction and purpose. We face new challenges. Our leaders have approved changes which we said would give them better intelligence support--better, faster, more complete, at less cost, without duplication.

--Now we have got to deliver. I was told that if any agency would rise to the occasion and deliver, it was CIA. I'm counting on it!